

Staci L. Pies, Director
Federal Regulatory Affairs
(703) 762-0143



July 24, 2002

Marlene H. Dortch, Secretary
Federal Communications Commission
Office of the Secretary
445 12th Street, SW
Washington, DC 20554

Re: CC Docket Nos. 96-98; 99-68 ; 01-92; Ex Parte Presentation

Dear Ms. Dortch:

On July 23, 2002, Bill Hunt, Mike Romano, and Staci Pies of Level 3 Communications, met with Jane Jackson, Associate Chief, Wireline Competition Bureau, Tamara Preiss, Chief, Pricing Policy Division, and Victoria Schlesinger and Steve Morris, Pricing Policy Division. During this meeting, we discussed issues related to compensation regimes for ISP-bound traffic and virtual foreign exchange or virtual NXX arrangements.

Level 3 expressed its opinion that although the U.S. Court of Appeals for the D.C. Circuit remanded the Federal Communication Commission's (FCC) *ISP Remand Order*¹ to the FCC for further consideration, the Court did not vacate the Order thereby leaving the federal compensation regime for all ISP-bound traffic in effect. Level 3 further discussed how the exchange of traffic under virtual foreign exchange or virtual NXX arrangements should be compensated in a multi-provider environment.

In addition, Level 3 discussed a dispute with Marianna & Scenery Hill Telephone, a rural incumbent local exchange carrier in Pennsylvania that neighbors a Verizon area in which Level 3 provides service, regarding the proper interconnection rules and compensation regimes for the exchange of ISP-bound virtual NXX traffic.

Please do not hesitate to contact the undersigned if you have any questions concerning this filing.

In accordance with the FCC's rules, this letter is being filed electronically in the above captioned dockets.

Sincerely,

Staci L. Pies

Cc: Jane Jackson
Tamara Preiss
Victoria Schlesinger
Steve Morris

¹ *Implementation of the Local Competition Provisions in the Telecommunications Act of 1996; Intercarrier Compensation of ISP-Bound Traffic*, 16 FCC Rcd 9151 (2001) ("*ISP Remand Order*"), remanded sub nom. *WorldCom, Inc. v. FCC*, 288 F.3d 429 (D.C. Cir. 2002).